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To the Citizens of Fairfax County:

It is with pleasure that I present the Fiscal Year 2001 Adopted Budget Plan. The budget we have adopted is balanced in several important ways. Of course, its bottom line is balanced, as required by Virginia law. And we have finally corrected the structural imbalance of the 1990's when non-recurring revenues were used for recurring expenses. Four years ago we started on the path to achieving structural balance, by, among other things, establishing budget guidelines that directed the County Executive to prepare a budget that balanced proposed expenditures within projected revenues. This budget attained that goal.

In considering the budget, the Board of Supervisors also balanced the various needs of the community. This Board continues to make children and their education, safety and health, its priority. Public education is the top priority, as evidenced by the transfer to the School Division, which is \$1.08 billion, or 50.26 percent of the County's total budget. The FY 2001 School transfer includes \$985.2 million for operating costs, which is \$87.82 million or 9.8 percent more than the last year's operating transfer. By comparison, the General Fund direct expenditures for County operations increased just 4.42 percent over FY 2000. Additionally, funding for school debt service for bonds sold to build and renovate schools has increased over \$5.8 million, or 6.5 percent, to \$95.25 million for FY 2001. Further the Board approved \$130 million for new bond sales to accelerate the construction of new schools and renewal of older school facilities. In FY 2001, local taxpayers will fund 72.1 percent of the Fairfax County Public Schools Operating Budget.

The Board further demonstrated its commitment to our children and to Schools by adding enough School Resource Officers to ensure that there is one at every middle school, high school and alternative school in the County; by adding more public health nurses to supervise school clinics; and by adding and expanding School Age Child Care (SACC) Centers which provide before and after school child care services to working families throughout the County. The Board also approved a new pilot middle school SACC program. All of these items are funded directly by the County, not from the School transfer. Other County funding for children includes expansion of the School-Based Youth and Family Substance Abuse Program; additional funding for Library materials and homework support; expansion of the Healthy Families program; and additional funding for the Child Care Assistance Program to get more children off the waiting lists and into affordable child care situations.

While children are clearly the top priority, their needs must be balanced against other community requirements. With this budget, a Senior Transportation Initiative is established to address seniors' barriers to mobility. Additional funding is included for the Adult Health Program, as well as for respite services for families of persons living with mental retardation.

The critical need for affordable housing and the increase in homelessness in Fairfax County were issues highlighted in this year's report of the Homeless Oversight Committee and in the budget recommendations of the Human Services Council. The funding to establish an Affordable Housing Investment Fund included in this budget is a beginning step in addressing these issues, and an important step in the right direction.

Other needs always must be balanced against the need for public safety services in a County that is extremely safe, but must stay that way. Therefore, additional police officers, including a position to investigate child abuse, and additional firefighters are included.

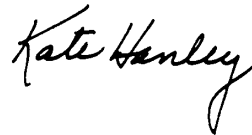
This year, for the first time in almost a decade, residential assessments increased more than one percent, for an average of five percent, primarily due to rising home values associated with higher home sales prices and increased sales volume in the County's strong real estate market. Many homeowners had increases considerably above the average, a particular hardship for the elderly and disabled. Therefore, the Board has tried to balance those inequities by expanding the Real Estate Tax Relief Program for those residents.

Even while the Board recognizes the many needs of this County, it must always balance those against the imperative to be fiscally prudent and to make provisions to be able to withstand possible downturns in the economy. In the recession of the 1990's, the Board had to make drastic cuts in programs, including Schools. In order to prevent that disruption from happening again, the Board established a Revenue Stabilization Fund, with an implementation policy. The FY 2001 Adopted Budget adheres to that policy.

This budget process highlighted the dilemma we face each year when citizens ask for greater support for schools, human services, transportation and the environment. Locally we have realized some increases in revenue due to the strong economy, but not at the magnitude being realized at the state level. The state, not the County, is the major beneficiary of the dramatic increases in income tax and sales tax revenues. To raise sufficient revenue to satisfy all the requests would require raising real estate taxes, our primary source of revenue. This was not something we were willing to do. The real estate tax rate and the personal property tax rate remain unchanged at \$1.23 and \$4.57 respectively.

Balance is difficult to achieve, and even more difficult to sustain. The Fiscal Year 2001 Adopted Budget Plan does both.

Katherine K. Hanley

A handwritten signature in black ink that reads "Kate Hanley". The signature is written in a cursive, flowing style.

Chairman, Board of Supervisors